

Chapter 9: Economic Development – Job Creation

Part A: Instructions

Economic Development-Job Creation projects combine eligible activities to stimulate private investment and expand economic opportunities, especially to low-and-moderate-income persons. Business expansion projects generally address the low-and-moderate-income national objective by resulting in permanent job creation. At least 51 percent of the newly created jobs will then be held by low-and-moderate-income persons.

I. Threshold Factors for ED projects

In addition to the requirements set forth in Chapter 5 of this Application Handbook, all Economic Development/Job Creation projects are subject to the following:

- A. Any job creation that costs more than \$30,000 a job will not be awarded.
- B. Job creation from economic development projects must occur within two years from the completion of the project. If the Idaho Community Development Block Grant assistance is under \$10,000 per job, then only businesses applying for grant assistance need to be assessed for low-and-moderate-income job creation or retention. If the grant assistance equals \$10,000 or more per job, then any business benefiting from the public improvement for a period of up to one year after the physical completion of the public improvement, must be assessed for low-and-moderate-income job creation or retention.
- C. The project must benefit low-and-moderate-income persons through job creation. At least 51 percent of all the new jobs created or retained must be held by or made available to a member of a low-and-moderate-income family. Family income must be certified by the employee at the time of hire or be documented through an Idaho Department of Commerce-approved screening referral agency. The confidential job survey found in Part C of this chapter should be given to each person filling a created or retained job. Family income levels must be monitored and reported as very low, low, moderate or high. County income levels can be found at www.commerce.idaho.gov.
- D. Report the number of new or retained jobs that were created within two years of the grant construction completion. The jobs are measured in fulltime equivalents, and must have been created as a direct result of the grant activity. These newly created positions must exist above and beyond the company's workforce prior to the grant and cannot have displaced any labor in the same market area.
- E. For projects that involve more than one business, such as industrial parks, the aggregate number of low-and-moderate-income jobs created or retained must equal at least 51 percent.

- F. The business must complete and sign the Job Creation Agreement form found in Part C of this chapter.
- G. If the business is going to use the local Idaho Department of Labor office and is willing to hire Workforce Development Training Fund eligible employees, it will need to contact your Idaho Department of Commerce specialist.

II. **Ranking Criteria**

- A. **Quality of New or Retained Jobs (100 points):** This category measures the quality of the jobs created or retained by comparing the fulltime equivalent wages or salaries created to the average county salary as determined by the most recent quarterly Idaho Department of Commerce survey. In this case, salaries and wages do not include benefits. If the project results in part-time or seasonal positions, take the total number of hours of employment created for a given pay rate and divide it by 1560. This will give you the full-time equivalent for those positions. Also note that if the average county wage exceeds the state average wage, the department will compare the full-time equivalent wages to the state average instead. Points will be awarded based upon the percentage of full-time equivalent wages exceeding the state or county average wage. Multiply that percentage by 100 to determine the number of points to be awarded.

Writer's Guide: In the narrative, include the percentage of FTE jobs that exceed average wages as outlined. Call the local Idaho Department of Commerce office to obtain the county's average annual wage; list that wage in the narrative for this section.

- B. **Fringe benefits (100 points):** This category measures the quality of benefits provided for low-and-moderate-income employees. Any business creating or retaining jobs as a result of grant funding must document its fringe benefit plans for low-and-moderate-income employees. Fifty points will be awarded for an employer-funded health plan and 50 points for an employer-funded pension plan. Businesses must provide both in order to receive full points under this category.

Writer's Guide: Fill out the Fringe Benefit Checklist provided at the end of this chapter; include documentation of fringe benefit plans provided by the employer.

- C. **Business risk and management (125 points):** Under this category, the Idaho Department of Commerce will determine the probability of a business achieving the projected jobs and payroll within one and two years. This determination will be made on the basis of:
 1. The business plan and schedule.
 2. A Dun and Bradstreet report or a brief analysis of the business to be assisted, including the market for the product or services to be produced, the business' position in the market and the financial and managerial capabilities of the

business to be assisted. This should also include financial statements and balance sheets for the business to be assisted indicating sales, income, and net position for the prior three years, and the names and experience of senior managers of the business. Commerce staff will obtain and review the business' Dun and Bradstreet report.

3. Any other reasonable criteria that may assist the department in making this determination.

If the project receives less than 75 points under this category, it will be disqualified.

Writer's guide: Complete a narrative addressing all of the criteria stated above and attach any necessary supporting documentation.

- D. Planning, schedule, and cost (170 points):** Include descriptions of the project's planning efforts to enhance economic development in the community. The points will be awarded as follows:

1. **Planning (50 points):** Describe any planning efforts to identify and detail all steps related to the implementation of the entire project, including local government, business, utility, and other agency actions. Other important factors to consider include real estate as well as environmental, legal, financial and grant considerations. Describe any partnerships involved in implementation.

Writer's Guide: Include necessary descriptions as a part of the narrative.

2. **Schedule (50 points) and cost (50 points):**

Writer's Guide: The Idaho Department of Commerce will use the Project Schedule and the Detailed Cost Analysis you completed in the general section of the application.

3. **Environmental scoping (20 points):**

Writer's Guide: You completed the Environmental Scoping Checklist as part of Chapter 5.

- E. Minority benefit (15 points):** Points are awarded under this category if the business documents minority hiring on its current payrolls. If the percentage of minority employees is equal to or greater than the county in which the business is locating, the application will receive full points.

Writer's Guide: Provide the percentage of minority workers on the business' current payroll and the percentage of minority citizens living in the county in the narrative. Attach any necessary supporting documentation.

- F. Local investment leverage (100 points):** This category measures the percentage of local match committed to the project. The application should also state if there is a revolving loan fund available in the project's region as well as what attempts were made to secure money from the loan fund for the project. If there is program income from previous grants, it may also be used as local match.

Writer's Guide: If there is a RLF in the project's region, address this issue in the narrative. The Idaho Department of Commerce will use the budget sheet you completed as part of the general application you completed in Chapter 5 in order to determine local match.

- G. Distressed areas (20 points):** Maximum points will be given if the project is located in a historically underutilized business zone.

Writer's Guide: In the narrative, state if the business is located in a HUB zone. You may find this information at www.sba.gov/hubzone/.

- H. Existing Idaho business (20 points):** If the business has a significant Idaho presence it may receive full points.

Writer's Guide: In the narrative, describe the business' Idaho presence. Include how long the business has been in Idaho, how many Idaho employees it has, if its corporate headquarters is located in Idaho.

- I. Private leverage (100 points):**

Writer's Guide: IDC will use the Budget Sheet you completed as a part of the general application in Chapter 5.

- J. Activities (25 points):** Points will be awarded based upon the percentage of the grant committed to acquisition, construction or reconstruction of public infrastructure or to publicly-owned commercial building rehabilitation for the purpose of assisting a business or businesses.

Writer's Guide: The department will use your Budget Sheet to make this determination.

- K. Grant management (25 points):** If the community has an Idaho Department of Commerce approved grant administrator, the application will receive 25 points.

Writer's Guide: You answered this in the Administrative Capacity section of Chapter 5.

Part B: Forms

Part B: Forms**Review and Ranking Narrative:****II. A. Quality of New or Retained Jobs:**

_____ Percentage of full-time equivalent jobs that exceed average county/state wages

_____ County's average annual wage

II. B. Fringe Benefits:

Identify (✓) fringe benefits provided by the employer or business(es)

_____ Sick Leave

_____ Vacation Leave

_____ Health Insurance

_____ Medical

_____ Dental

_____ Vision

_____ Prescription

_____ Retirement Program (requires employer contribution)

_____ Pension

_____ IRA

_____ 401K

_____ Other (describe : _____)

Are fringe benefits provided for part time employees? If Yes, describe below.

II. C. Business Risk and Management:

1. If you have not attached a Dun & Bradstreet report, address all of the criteria set forth in the directions. ***Be sure to attach any necessary documentation.***

II. D. Planning, Schedule and Cost:

1. Describe any planning efforts involving the implementation of your project. Address all components outlined in the directions. Also include descriptions of any partnerships involved in the implementation process.

II. E. Minority Benefit:

_____ Percentage of minority workers on the business' current payroll.
_____ Percentage of minority population in the county where the business will be locating.

II. F. Local Investment Leverage:

Does your community have a revolving loan fund? _____ Yes _____ No
If yes, please describe any attempts to secure funds.

II. G. Distressed Area:

Is the community located in a historically underutilized business zone?
_____ Yes _____ No

II. H. Existing Idaho Business:

Describe the business' presence in Idaho. Be sure to answer all questions set forth in the directions.

Part C:
Pre-Job Documentation

Part C:**Confidential Income Survey**

Company Name: _____

Employee Name: _____

Job Title: _____

Hours Worked/Week: _____

Were you employed prior to being hired by this company? ☐ Yes ☐ NoAnnual Family Income – Instructions:

1. Using the chart below, **CIRCLE** the number of people in your family.
2. Read across the same row for the size of family identified and place an **X** in the box that represents the total annual family income range, prior to you being hired.

*Note that your total annual family income is the same as the adjusted gross income stated on IRS form 1040A or 1040EZ (net business income for self-employed persons).

# of people in Family	TOTAL ANNUAL FAMILY INCOME RANGE		
1	<input type="checkbox"/> \$0 to \$16,700	<input type="checkbox"/> \$16,701 to \$26,700	<input type="checkbox"/> \$26,701 and Above
2	<input type="checkbox"/> \$0 to \$19,100	<input type="checkbox"/> \$19,101 to \$30,550	<input type="checkbox"/> \$30,551 and Above
3	<input type="checkbox"/> \$0 to \$21,450	<input type="checkbox"/> \$21,451 to \$34,350	<input type="checkbox"/> \$34,351 and Above
4	<input type="checkbox"/> \$0 to \$23,850	<input type="checkbox"/> \$23,851 to \$38,150	<input type="checkbox"/> \$38,151 and Above
5	<input type="checkbox"/> \$0 to \$25,750	<input type="checkbox"/> \$25,751 to \$41,200	<input type="checkbox"/> \$41,201 and Above
6	<input type="checkbox"/> \$0 to \$27,650	<input type="checkbox"/> \$27,651 to \$44,250	<input type="checkbox"/> \$44,251 and Above
7	<input type="checkbox"/> \$0 to \$29,550	<input type="checkbox"/> \$29,551 to \$47,300	<input type="checkbox"/> \$47,301 and Above
8	<input type="checkbox"/> \$0 to \$31,500	<input type="checkbox"/> \$31,501 to \$50,350	<input type="checkbox"/> \$50,351 and Above

The income limits above are for Butte County. Before using this survey, fill in th, Low, Moderate and High income ranges for your county. Be sure to delete this line as well.

Certification: I hereby certify that the total income for my family is the level identified in F, and that I am employed in the job described above.

Name: _____

Date: _____

EEO Information (optional)

Please fill in the following information about yourself. This is an optional section and will be detached from the rest of your survey so that your name is not on it. The following information is collected for reporting requirements only. If you prefer to not respond, please mark the space “prefer not to respond”.

Hispanic Household: ☐ Yes ☐ No

Please place an X in the appropriate box for your racial/ethnic origin:

- ☐ White alone
- ☐ African American alone
- ☐ American Indian or Alaskan Native alone
- ☐ Asian alone
- ☐ Pacific Islander alone
- ☐ Two or more races

Gender: ☐ Male ☐ Female

Female Head of Household (no husband present): ☐ Yes ☐ No

Prefer not to respond _____

**Job Creation Agreement
between City/County and Business**

Note: This agreement must be completed and executed by the application deadline.

Whereas, the city/county of (type name here) is applying for an Idaho Community Development Block Grant to provide (type of infrastructure to be provided) from which (company name) will benefit.

Whereas, the (company name) has plans to expand (or locate) in the city/county of (type name here) due to the receipt of a grant that will increase or provide public infrastructure sufficient for the company's needs and requirements.

Therefore, as a result of the grant assistance, the company certifies and agrees that by _____, 20__, it will create ____ jobs and/or retain ____ jobs as a direct result of the grant project and that of those jobs at least 51% will be held by LMI persons.

The company further agrees to abide by all the following conditions of this Agreement.

Definitions

- A. The city/county of _____, hereafter is known as the GRANTEE.
- B. The _____ (company name), hereafter is known as the COMPANY.
- C. Funding Source: The Idaho Community Development Block Grant (ICDBG) program is funded by the U.S. Department of Housing and Urban Development (HUD) and managed by the Idaho Department of Commerce (DEPARTMENT).
- D. Low and Moderate Income (LMI): Family median income standards are set by HUD at a county level and by family size. Families having income 80% or less of the median income are defined as moderate-income families. Families having income 50% or less are defined as low-income families. HUD prepares a family size and income table each year.
- E. LMI Person: A member of a LMI family.
- F. Full-Time Equivalent (FTE): Job creation must be calculated in FTE's. Part-time jobs must be aggregated into FTE's. Generally, employment of 2080 hours per a 12-month period or 30 hours or more a calendar week is considered to be full-time.

The Project

The GRANTEE agrees to provide the following public infrastructure to assist the COMPANY with its planned expansion or location in the community.

(Items listed here)

Job Creation/Retention

The COMPANY commits that by _____, 20__, it will create ____ net new FTE jobs above its current employment and/or retain ____ FTE jobs as established by the COMPANY payroll of _____, hereby incorporated into this agreement. Of these jobs, ____% will be held by LMI persons. The new jobs to be created (and/or retained) are identified in Attachment “A”.

Claw-Back

Regardless of the number of new jobs created, the COMPANY agrees to reimburse the GRANTEE the entire amount of the grant if less than 51% of all new jobs created are filled by LMI persons.

The COMPANY agrees to reimburse the GRANTEE a pro rata dollar amount per job not created if the total number of new jobs created does not meet or exceed the number of jobs committed above. The dollars per job ratio is \$_____, being the grant dollar to new job ratio contained in the full application.

The COMPANY agrees that the decision of the DEPARTMENT will be final in judging the level of job creation and the percentage of LMI persons hired.

Project Timetable

The COMPANY will report major milestones on the timetable listed below.

<u>DATE</u>	<u>ACTIVITY</u>	<u>DOCUMENTATION REQUIRED</u>
	Business Commitment	Executed Lease or Building Permit
	Employee / Job Verification	Existing Employee Job Listing
	Start of Business Construction	Notice to Proceed to Contractor
	Business Construction Complete	Certificate of Substantial Completion and Occupancy Permit
	Jobs Created and Retained	Employee Job Listing

Recordkeeping and Reports

The COMPANY will maintain evidence and documentation of the jobs to be created and/or retained and the persons hired to fill the new jobs and/or employed currently. The information will include the person's name, family income, sex, race, ethnicity, and handicapped status.

- A. To document at least 51% of the created jobs will be **held by** LMI persons, Attachment “A” must be incorporated into this agreement.
 - 1) If jobs are based on retention then additional documentation must include evidence the jobs would be lost in the absence of CDBG assistance.
- B. To prove that at least 51% of the jobs are held by LMI persons, the following information must be provided before project close-out:
 - 1) The completed income surveys of each employee hired during the project timeline. (The income survey must be in the format as designated by the Department).

- 2) The employee job listing which identifies the employee, job title, LMI status before hire, full or part time position, wage, gender, and if provided by employee ethnic data.
 - 3) Contact information for the businesses' human resource representative
- C. This information will be maintained for four (4) years beyond the final date of completion of the job creation.

Monitoring Rights of Government Officials

The information and all records related to the job creation will be made available to the GRANTEE, the Idaho Department of Commerce, and federal officials from the U.S. Department of Housing and Urban Development.

The COMPANY upon request will allow the above officials access to the records during regular working hours. The COMPANY shall, upon request, allow for visual inspection of the company expansion and provide for interviews with employees to verify job creation.

Effectiveness

This agreement is effective from the time the full application is submitted to the DEPARTMENT and will remain in effect until the jobs are created and the grant is closed out by the DEPARTMENT. Closeout occurs after the DEPARTMENT determines the GRANTEE has complied with all grant conditions, regulations, and the COMPANY has created the jobs per this agreement.

This agreement is based upon the contract, rules, and regulations of the ICDBG program.

Signatures

I certify by my signature that I have the authority to commit the (company name) to this Agreement.

Signed: _____ Date: _____

Name and Title: _____

I certify by my signature that I have the authority to commit the (insert grantee name) to this Agreement.

Signed: _____ Date: _____

Name and Title: _____

ATTACHMENT A**Proposed Jobs****Company Name:**

Job Title	Full or part time jobs	Hourly Wage or Salary	Special Skills or Education Required	On the Job Training to be Provided	No of People Required (FTE)	Approximate Date of Hire	Likely LMI Job Yes/No

Part D:

Post-Job Documentation

(Contact CDBG specialist for electron forms)

Section 3 Summary Report

Economic Opportunities for Low- and Very Low-Income Persons

**U.S. Department of Housing
and Urban Development**
Office of Fair Housing
and Equal Opportunity

See back of page for Public Reporting Burden statement

1. Recipient Name & Address: (street, city, state, zip)	2. ICDBG Grant #: (contract/award no.)	3. Dollar Amount of Award:
	4. Contact Person:	5. Phone: (include area code)
	6. Reporting Period:	7. Date Report Submitted:
8. Program Code: * 8 (Use a separate sheet for each program code)	9. Program Name:	

Part I: Employment and Training (** Include New Hires in columns E & F.)

A Job Category	B Number of New Hires	C Number of New Hires that are Sec. 3 Residents	D % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents (Not Mandatory to Report)	E** % of Total Staff Hours for Section 3 Employees & Trainees (Not Mandatory to Report)	F** Number of Section 3 Employees & Trainees
Managers					
Supervisors					
Technicians					
Sales					
Craft Workers					
Assembly Line					
Operator					
Laborers					
Service Workers					
Production					
Truck Drivers					
Warehouse					
Others (list)					
Total					

ref 24 CFR 135

Part II: Contracts Awarded

1. Construction Contracts:	
A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving construction contracts	
2. Non-Construction Contracts: (i.e. Administration, Engineering, Architectural, etc.)	
A. Total dollar amount of all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- ___ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- ___ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- ___ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- ___ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- ___ Other; describe below.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u., mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very low income persons, particularly those who are recipients of government assistance for housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool. The data is entered into a data base and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form.

The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

ref 24 CFR 135

Job Creation Documentation as of Close-out				Project Name																
Business Name																				
New Hires				Emp. Status					Demographics											
									Gender			Hispanic House-	Ethnicity							
Last Name	First Name	Title/ Classification	Hourly Wage earned	Emp.	Un-emp.	Low	Mod	Above	Did not Ans	Male	Female	Female Head of House	House-	W	AA	NA	A	PI	TM	Dis-abled
1	e.g. Smith	John	Operator	\$10.50			X			X				X						
2	e.g. Smith	Jane	Miller	\$12.75			X				X	X			X					X
3	e.g. Blanco	Juan	Supervisor	\$18.50				X		X			X							
4	e.g. Polk	Sam	Operator	\$10.50							X								X	
5																				
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